

STATE OF MAINE	)	Docket No. 98-577
PUBLIC UTILITIES COMMISSION	)	
	)	
Public Utilities Commission, Re:	)	January 24, 2000
Investigation of Stranded Costs,	)	
Transmission And Distribution Utility	)	
Revenue Requirements, And Rate Design of	)	Stipulation
Maine Public Service Company (Phase II)	)	

The undersigned, being parties to this proceeding, agree as follows:

1. Purpose. This Stipulation is intended to conclude those issues left unresolved or unaddressed by the October 14, 1999 Phase I Stipulation in this Docket (approved by the Commission by Order dated December 1, 1999). These issues are: (a) the exact level of Maine Public Service Company's (MPS) recoverable stranded investment and the level of recovery of that investment during the next rate-effective period; (b) the elimination of the inverted block structure for MPS's Residential Rate A; (c) the proper on-peak to off-peak ratio for MPS's summer TOU rates; and (d) miscellaneous accounting orders.
2. Recoverable Stranded Investment. MPS's total legitimate, verifiable and unmitigable recoverable stranded investment for the rate-effective period, together with the total available value from its generation asset sale, as of March 1, 2000, and subject to Paragraph 6(c) of this Stipulation, are the amounts shown on Attachment A to this Stipulation, which attachment is made a part of this Stipulation. The parties further agree that MPS shall be allowed to offset its unrecovered stranded investment in Seabrook by an amount equal to 35% of the available value from its generation asset sale, which offset results in a total recoverable stranded investment in Seabrook of \$25,122,000, as shown on Attachment A.
3. Rate Period Stranded Investment Recovery. The total annual amount of MPS's stranded investment recoverable through retail rates for the period March 1, 2000 through February 28, 2002 shall be \$12,503,000 as shown on Attachment A to this Stipulation.
4. Residential Rate A. Effective March 1, 2000, MPS shall eliminate the inclining block for its Residential Rate A and shall replace it with a flat rate under which each customer is charged the same amount for each kwh of usage without regard to the number of kwhs used by that customer. The parties agree that, in order to eliminate Rate A's inclining block structure without thereby increasing the total electric monthly bill of any residential customer, MPS shall reduce the annual revenue requirement of this Residential Rate A customer class in the amount of \$915,000. This reduction shall not affect the amount of the T&D utility annual revenue requirement of \$16,640,000 set forth in Paragraph A(2) of the October 14, 1999 Stipulation nor the annual recoverable stranded investment of \$12,503,000 set forth in Paragraph 3 above.
5. Summer On-Peak to Off-Peak Energy Ratios. To eliminate certain anomalies in MPS's

time of use rates that would result from the application of the top-down methodology in the October 14, 1999 Stipulation, the parties agree that MPS shall determine the non-winter energy (kwh) rates in each of its time of use rates by setting them such that the ratio of the on-peak non-winter energy (kwh) rate to the off-peak non-winter energy (kwh) rate equals the ratio of the on-peak winter energy (kwh) rate resulting from application of the top-down methodology set forth in Paragraph 6C of the October 14, 1999 Stipulation for the time of use rate class.

6. Miscellaneous Accounting Orders.

Accounting Orders. In determining the amount of stranded cost recovery for the rate effective period shown on Attachment A, the Company incorporated certain accounting methodologies to the various elements of stranded costs. With the parties agreeing on the amount of stranded cost recovery for the two-year period ending February 28, 2002, MPS has requested and by approval of this Stipulation, shall receive the following accounting orders:

- (a) Carrying Costs on Deferred Fuel Balances. On March 1, 2000, the Company estimates that its deferred fuel costs, as described in Paragraph 10 of the October 14, 1999 Stipulation, will be approximately \$10,919,000. Based on the schedules on Attachment A provided to support the determination of the \$12,503,000 of stranded cost recovery, the Company will begin to amortize \$900,000 of these costs for the period March 1, 2000 to February 28, 2002. The Company will accrue carrying costs on the unrecovered balance at the net of tax cost of capital rate, i.e. 7.98%. The cost of capital rate was set forth in the Phase I Stipulation and approved by the Commission.
- (b) Amortization of Wheelabrator-Sherman Buydown Costs. Beginning January 1, 2001 and continuing through February 28, 2002, the Company will begin amortizing the W-S buydown costs of \$8,706,000 at the rate of \$1,451,000 per annum.
- (c) Update of estimates to Actuals. For the following items, the Company has used its best estimates for the determination of stranded costs and will be allowed to adjust its books of accounts for its stranded cost assets or liabilities to reflect actual numbers through February 29, 2000 (references are to schedules provided with Attachment A).
  - (i) Carrying costs on available value and revenue attributable to foregone rate increase (LB-2, page 2B);
  - (ii) Maine Yankee replacement fuel deferral (LB-3, page J);
  - (iii) Available value from asset sale when all legal costs are finalized (LB-6, page 4A); and
  - (iv) Incremental power supply costs (LB-6, page 5).

- (d) Employee Termination Costs. In determining the annual transmission and distribution revenue requirement set forth in the October 14, 1999 Stipulation, the Company had estimated termination costs associated with personnel displaced by the sale of the Companies generating assets. The Company will be allowed to amortize these costs over four years. In addition, the Company will be allowed to defer all verifiable termination costs that exceed its estimate of \$462,000. At the next rate review, the Company will amortize over two years, the balance of any remaining termination costs.

7. Stipulation Not Precedential. The making of this Stipulation by the parties shall not constitute precedent as to any matter of law or fact, nor shall it permit any party from making any contention or exercising any right, including rights of appeal, in any other commission proceeding or investigation or any other trial or action.

In Witness Whereof, the parties have caused this Stipulation to be signed by their respective attorneys.

January 24, 2000

MAINE PUBLIC SERVICE COMPANY

By \_\_\_\_\_  
Stephen A. Johnson, General Counsel

January 24, 2000

OFFICE OF THE PUBLIC ADVOCATE

By \_\_\_\_\_  
William C. Black

**Maine Public Service Company**  
**Seabrook After Application of 35% of Available Value**  
 Stranded Costs and Revenue Requirement - Summary  
 \$000's

Attachment A  
 Phase II  
 LB-1  
 Page 1

**Generation Related Strandable Costs at 03/01/00**

Ref. LB-	Cost Categories	Total Stranded Costs	Rate Year Revenue Requirement
2	Seabrook		
	- Net Investment	15,100	3,479
	- SFAS 109	<u>10,022</u>	<u>0</u>
	Seabrook Sub-total	25,122	3,479
3	Wheelabrator-Sherman		
	-Above-Market Contract	60,016	11,573
	-Contract Buy-down	8,706	913
	-Deferred Fuel	<u>10,919</u>	<u>0</u>
	W/S Sub-total	79,641	12,486
4	Maine Yankee	3,737	3,439
5	Other Regulatory Assets	<u>248</u>	<u>7</u>
	Total Stranded Costs Before Applic. of Avail. Value	108,748	19,411
	Available Value from Generation Asset Sale <sup>1</sup>	(13,012)	(6,908)
	Total Stranded Costs After Applic. of Avail. Value	95,736	12,503

**Maine Public Service Company**  
**Seabrook Amortization to Approved Amortization Period**  
**Seabrook After Application of 35% of Available Value**  
 Stranded Revenue Requirement - Summary  
 \$000's

Attachment A  
 Phase II  
 LB-1  
 Page 2

	Seabrook (Net of Avail. Value)	Above- Market Contract	Contract Buy- Down	Deferred Fuel	Total	Maine Yankee	Other Reg. Assets	Available Value Offset	Total Stranded Rev.Req. Aft.Offset
3/2/00-12/31/00	2,908	10,293	561	0	10,854	2,885	6	(5,757)	10,896
1/1/01-02/28/01	<u>571</u>	<u>1,280</u>	<u>352</u>	<u>0</u>	<u>1,632</u>	<u>554</u>	<u>1</u>	<u>(1,151)</u>	<u>1,607</u>
Total Rate Year	3,479	11,573	913	0	12,486	3,439	7	(6,908)	12,503
2001	3,377	7,683	2,068	900	10,651	3,321	7	(4,863)	12,493
2002	3,255	7,755	1,956	(1,200)	8,511	3,246	7	(2,502)	12,517
2003	3,132	7,826	1,844	(3,400)	6,270	3,095	7	0	12,504
2004	3,009	7,896	1,731	(3,300)	6,327	3,145	7	0	12,488
2005	2,887	7,961	1,619	(3,000)	6,580	3,066	7	0	12,540
2006	2,764	8,024	1,507	(2,800)	6,731	2,971	7	0	12,473
2007	2,642	0	0	6,800	6,800	2,881	199	0	12,522
2008	2,519	0	0	7,700	7,700	2,298	0	0	12,517
2009	2,396	0	0	10,100	10,100	0	0	0	12,496
2010	2,274	0	0	10,200	10,200	0	0	0	12,474
2011	2,151	0	0	5,912	5,912	0	0	0	8,063
2012	2,029	0	0	0	0	0	0	0	2,029
2013	1,906	0	0	0	0	0	0	0	1,906
2014	1,783	0	0	0	0	0	0	0	1,783
2015	1,661	0	0	0	0	0	0	0	1,661
2016	813	0	0	0	0	0	0	0	813

Nominal Value = 153,781

PV Sum @ 7.98% = 95,223

**Maine Public Service Company**  
**Seabrook Amortization to Approved Amortization Period**  
 Seabrook After Application of 35% of Available Value  
 Calculation of Stranded Investment and Revenue Requirement  
 \$000's

Attachment A  
 Phase II  
 L-2  
 Page 1

	Rate Base	Amortization Expense (A)	Amortization Expense (Grossed-up) 1.663722	Return on Rate Base 0.1327	Stranded Revenue Requirement	Stranded Investment Recovery (Rate Base X 1.663722)
1998	20,691					
1999	19,508	1,183	1,968	2,667	4,635	32,456
2000	14,330	967	1,609	2,051	3,660	23,841
2001	13,406	924	1,537	1,840	3,377	22,304
2002	12,482	924	1,537	1,718	3,255	20,767
2003	11,558	924	1,537	1,595	3,132	19,229
2004	10,634	924	1,537	1,472	3,009	17,692
2005	9,710	924	1,537	1,350	2,887	16,155
2006	8,786	924	1,537	1,227	2,764	14,617
2007	7,862	924	1,537	1,105	2,642	13,080
2008	6,938	924	1,537	982	2,519	11,543
2009	6,014	924	1,537	859	2,396	10,006
2010	5,090	924	1,537	737	2,274	8,468
2011	4,166	924	1,537	614	2,151	6,931
2012	3,242	924	1,537	492	2,029	5,394
2013	2,318	924	1,537	369	1,906	3,857
2014	1,394	924	1,537	246	1,783	2,319
2015	470	924	1,537	124	1,661	782
2016	0	470	782	31	813	0
1/1/00-02/29/00	19,311	197	328	429	757	32,128
Reduction in Rate Base	<u>4,211</u>					<u>7,006</u>
Rate Base at 3/1/00 (1) - (2)	15,100	0	0			25,122
3/1/00-12/31/00	14,330	770	1,281	1,627	2,908	
1/1/01-02/28/01	14,176	154	256	315	571	
3/1/01-12/31/01	13,406	770	1,281	1,525	2,806	
Rate Year Revenue Requirement					3,479	

(A) Reduction in annual amortization based on application of available value

Available value 4,211 = 21.59 \* 12 mos. = 259  
 Recovery months from 3/01/2000 - 195 mos. 195

Net of tax amort. before adj. 1183  
 Less adjustment of available value 259  
924

**Maine Public Service Company**  
**Seabrook Amortization to Approved Amortization Period**  
**Seabrook After Application of 35% of Available Value**  
Application of Available Value to Reduce Seabrook Unrecovered Investment  
Annual Revenue Requirement Impact  
\$000's

Attachment A  
Phase II  
LB-2  
Page 2A

Available Value of 06/08/99 (LB-6, Page 1)	20,984
Less Recognition of Revenue Attributable to the Foregone 3.66% Rate Increase (LB-2, page 2B)	<u>1,647</u>
Available Value at 06/08/99 After Recognizing Foregone Revenue (A)	19,337
Rate Base at 06/08/99 = Available Value x (1-tax rate) (B)	11,623
Carrying Charges for the period 6/8/99 - 2/29/00 (LB-2, Page 2B) (C)	680
Associated ADIT (D)	271
Available Value at 02/29/00 (A) + (C)	20,017
Rate Base at 02/28/99 (B) +(C) -(D)	12,032
35% of Available Value at 02/29/00	7,006
50% of Rate Base at 2/29/00 - Offset Seabrook	4,211

Income Tax Rate 39.8938%

	Rate Base	Amortization Expense	Amort. Exp. (GROSSED-UP) 1.663722	Return on Rate Base 0.1327	Stranded Revenue Requirement	Stranded Investment Recovery (Rate Base x 1.663722)
3/1/00	7,821					13,012
3/1/00 to 12/31/00	4,759	3,063	5,095	662	5,757	
1/1/01 to 2/28/01	4,147	<u>613</u>	<u>1,019</u>	<u>132</u>	<u>1,151</u>	6,898
		3,675	6,114	794	6,908	
2001	1,446	2,700	4,492	371	4,863	2,406
2002	0	1,446	2,406	96	2,502	0
2003	0	0	0	0	0	0
2004	0	0	0	0	0	0
2005	0	0	0	0	0	0
2006	0	0	0	0	0	0
2007	0	0	0	0	0	0
2008	0	0	0	0	0	0
2009	0	0	0	0	0	0

**Maine Public Service Company**  
**Seabrook Amortization to Approved Amortization Period**  
Calculation of Carrying Charge on Available Value Net of Carrying Charge  
on Deferred Fuel from Date of Chlosing to Beginning of Rate Year  
\$000's

Attachment A  
Phase II  
LB-2  
Page 2B

	Available Value Rate Base, LB-2, Page 2A	11,623
	W/S Def. Fuel Rate Base, (6,000 x .601062)	3,606
	Other Def. Fuel Rate Base, (2,201 x .601062)	1,323
	Net Rate Base for Carrying Charge	6,694
	Net Rate Base (End. Bal.)	Carrying Charge 1.11% (A)
08-Jun-99	6,694	
Jun-99	6,751	57
Jul-99	6,826	75
Aug-99	6,902	76
Sep-99	6,979	77
Oct-99	7,056	77
Nov-99	7,134 Estimated	78
Dec-99	7,213 Estimated	79
Jan-00	7,293 Estimated	80
Feb-00	7,374 Estimated	81
		680

Revenue Attributable to Foregone Rate Increase

Apr-99	145,990
May-99	129,512
Jun-99	134,656
Jul-99	131,883
Aug-99	137,216
Sep-99	132,120
Oct-99	142,764
Nov-99	155,236
Dec-99	176,313
Jan-00	184,007
Feb-00	177,120
	<u>1,646,817</u>

(A) LB-7, Pretax Return - 13.27% / 12 mos. = 1.11% rounded



**Maine Public Service Company**  
**Seabrook Amortization to Approved Amortization Period**  
Wheelabrator-Sherman  
Stranded Revenue Requirements - Summary  
\$000's

Attachment A  
Phase II  
LB-3  
Page 1

	<u>Above-Market Contract</u>			<u>Buy-down of Contract</u>			<u>Deferred Fuel</u>	<u>Total</u>
	<u>Net Contract</u>	<u>Market</u>	<u>Stranded</u>	<u>Amort. of</u>	<u>Interest</u>	<u>Stranded</u>	<u>Amort/Stranded</u>	<u>Stranded</u>
	<u>Payment</u>	<u>Value</u>	<u>Rev. Req.</u>	<u>Buy-down</u>	<u>Cost</u>	<u>Rev. Req.</u>	<u>Rev. Req.</u>	<u>Rev. Req.</u>
3/1/00-12/31/00	12,941	2,648	10,293	0	561	561	0	10,854
1/1/01-02/28/01	<u>1,833</u>	<u>553</u>	<u>1,280</u>	<u>242</u>	<u>110</u>	<u>352</u>	<u>0</u>	<u>1,632</u>
Total Rate Yr.	14,774	3,201	11,573	242	670	913	0	12,486
2001	11,000	3,318	7,683	1,451	617	2,068	900	10,651
2002	11,220	3,465	7,755	1,451	505	1,956	(1,200)	8,511
2003	11,444	3,618	7,826	1,451	393	1,844	(3,400)	6,270
2004	11,674	3,778	7,896	1,451	280	1,731	(3,300)	6,327
2005	11,907	3,946	7,961	1,451	168	1,619	(3,000)	6,580
2006	12,145	4,121	8,024	1,451	56	1,507	(2,800)	6,731
2007							6,800	6,800
2008							7,700	7,700
2009							10,100	10,100
2010							10,200	10,200
2011							5,912	5,912

**Maine Public Service Company**  
**Seabrook Amortization to Approved Amortization Period**  
 Wheelabrator-Sherman  
 Stranded Revenue Requirements Due to Above-Market Purchased Power Contract  
 \$000's

Attachment A  
 Phase II  
 LB-3  
 Page 2

	Expected Prod. GWh	Contract Payment	<u>Contract Credit</u>		Net Contract Payment	<u>Market Value (2)</u>		Stranded Rev. Req.
			<u>Credit Received</u>	<u>Less Amount Applied To Def. Fuel (1)</u>		<u>\$/MWH</u>	<u>\$000's</u>	
2000	126.6	18,640	3,169	(576)	16,048	25.1	3,177	12,871
2001	136.6	11,000			11,000	24.3	3,318	7,683
2002	136.6	11,220			11,220	25.4	3,465	7,755
2003	136.6	11,444			11,444	26.5	3,618	7,826
2004	136.6	11,674			11,674	27.7	3,778	7,896
2005	136.6	11,907			11,907	28.9	3,946	7,961
2006	136.6	12,145			12,145	30.2	4,121	8,024

Total Strandable (3/1/00-12/31/06) 60,016

Rate Year Revenue Requirement:

03/01/00-								
12/31/00	105	15,534	2,593	0	12,941	25.1	2,648	10,293
01/01/01-								
02/28/01	23	1,833	0	0	1,833	24.29	553	<u>1,280</u>
Total								11,573

Notes:

- (1) The January and February Contract Credits are applied to the deferred M/Y replacement fuel. (See LB-3, Page 5).
- (2) Market Value based on the October 1, 1999 W/S bid, years 2002 and beyond escalated at the rate from the 1997 MY Co.

**Maine Public Service Company**  
**Seabrook Amortization to Approved Amortization Period**  
 Wheelabrator-Sherman  
 Stranded Revenue Requirements Due to Buy-down of Contract  
 \$000's

Attachment A  
 Phase II  
 LB-3  
 Page 3

	Regulatory		Interest Cost		
	Asset			Less Amount	
	<u>Balance</u>	<u>Amortization</u>	<u>All-in Cost (1)</u>	<u>Deferred w/</u> <u>Def. Fuel (2)</u>	<u>Annual</u> <u>Rev Req.</u>
2000	8,706	0	673	(112)	561
2001	7,255	1,451	617		2,068
2002	5,804	1,451	505		1,956
2003	4,353	1,451	393		1,844
2004	2,902	1,451	280		1,731
2005	1,451	1,451	168		1,619
2006	0	1,451	56		1,507

Rate Year Revenue Requirement:

03/01/00-	8,706				
12/31/00	8,706	0	561	0	561
01/01/01-	8,706				
02/28/01	8,464	242	110	0	<u>352</u>
Total					913

Notes:

- (1) Based on FAME all-in cost at cost of issue (LB-7) = 7.73%
- (2) Interest costs in January and February of 2000 are added to deferred M/Y repl. fuel. See LB-3, page 5.

**Maine Public Service Company**  
**Seabrook Amortization to Approved Amortization Period**  
**Seabrook After Application of 35% of Available Value**  
Wheelabrator-Sherman  
Stranded Revenue Requirements Due to Recovery of Deferred Fuel  
\$000's

Attachment A  
Phase II  
LB-3  
Page 4

	End of Year Balances				Carrying Charge After-tax C.O.C. (2) 7.98%	Def. Fuel Balance Including Carrying Charge	Amort./ (Deferred) Stranded Revenue Reqmnt.
	W/S Def. Fuel	M/Y Repl. Def. Fuel (1)	Other Def. Fuel	Total Def. Fuel			
1996	1,500		2,576	4,076			
1997	3,000		2,451	5,451			
1998	4,500		2,326	6,826			
1999	6,000		2,201	8,201			
03/01/00-	6,000	2,718	2,201	10,919		10,919	
12/31/00					726	11,645	
01/01/01-							
02/28/01					<u>145</u>	11,790	
Total Rate Year					871		
01/01/01-12/31/01					904	11,794	900
2002					989	13,983	(1,200)
2003					1,252	18,635	(3,400)
2004					1,619	23,554	(3,300)
2005					1,999	28,553	(3,000)
2006					2,390	33,743	(2,800)
2007					2,421	29,364	6,800
2008					2,036	23,700	7,700
2009					1,488	15,088	10,100
2010					797	5,685	10,200
2011					227		5,912

## Notes:

(1) Estimated deferred M/Y replacement cost balance per LB-3, Page 5.

# Maine Public Service Company

## Projected Deferred Maine Yankee Replacement Fuel

Actuals January, 1998 through October, 1999; Estimates for the Remaining Periods

	MY 50/50 Deferral monthly	Amortization cumulative	MY Replacement #97-830	Power Reduction	Net Deferral	Cum Net Deferral b/f Int	Mo. Carrying Charge	Cumulative Charge	Cum Net Deferral
as of 12/31/97		\$2,324,258	\$0	\$0	\$0	\$2,324,258		\$47,367	
Jan-98	\$295,457	\$2,619,715	\$0	\$0	\$295,457	\$2,619,715	\$16,678	\$64,045	\$2,683,760
Feb-98	\$463,812	\$3,083,527	(\$46,833)	\$0	\$416,979	\$3,036,694	\$18,453	\$82,498	\$3,119,191
Mar-98	\$255,676	\$3,339,202	(\$46,833)	\$0	\$208,843	\$3,245,536	\$20,567	\$103,065	\$3,348,601
Apr-98	\$227,770	\$3,566,972	(\$46,833)	\$0	\$180,937	\$3,426,473	\$21,941	\$125,006	\$3,551,479
May-98	\$285,133	\$3,852,105	(\$46,833)	(\$416,730)	(\$178,431)	\$3,248,043	\$22,089	\$147,095	\$3,395,138
Jun-98	\$364,170	\$4,216,274	(\$46,833)	(\$357,591)	(\$40,255)	\$3,207,788	\$21,533	\$168,628	\$3,376,416
Jul-98	\$326,901	\$4,543,175	(\$46,833)	(\$377,213)	(\$97,145)	\$3,110,643	\$21,232	\$189,859	\$3,300,502
Aug-98	\$401,550	\$4,944,725	(\$46,833)	(\$350,199)	\$4,518	\$3,115,161	\$21,072	\$210,931	\$3,326,092
Sep-98	\$376,835	\$5,321,560	(\$46,833)	(\$378,685)	(\$48,683)	\$3,066,478	\$21,065	\$231,996	\$3,298,474
Oct-98	\$414,349	\$5,735,909	(\$46,833)	(\$345,929)	\$21,587	\$3,088,065	\$21,113	\$253,109	\$3,341,174
Nov-98	\$378,415	\$6,114,324	(\$46,833)	(\$368,750)	(\$37,168)	\$3,050,897	\$21,198	\$274,307	\$3,325,204
Dec-98	\$407,615	\$6,521,939	(\$46,833)	(\$228,458)	\$132,324	\$3,183,221	\$21,637	\$295,944	\$3,479,165
<b>TOTAL '98</b>	<b>\$4,197,681</b>		<b>(\$515,163)</b>	<b>(\$2,823,555)</b>	<b>\$858,963</b>				
Jan-99	\$429,168	\$6,951,107	(\$46,837)	(\$244,766)	\$137,565	\$3,320,786	\$22,263	\$318,208	\$3,638,994
Feb-99	\$370,824	\$7,321,931	(\$46,833)	(\$244,730)	\$79,261	\$3,400,047	\$23,083	\$341,291	\$3,741,338
Mar-99	\$297,752	\$7,619,683	(\$46,833)	(\$233,752)	\$17,167	\$3,417,214	\$23,531	\$364,822	\$3,782,036
Apr-99	\$181,416	\$7,801,099	(\$196,833)	(\$244,054)	(\$259,471)	\$3,157,743	\$22,918	\$387,740	\$3,545,483
May-99	\$310,413	\$8,111,512	(\$196,833)	(\$250,478)	(\$136,899)	\$3,020,845	\$21,818	\$409,558	\$3,430,403
Jun-99	\$355,470	\$8,466,981	(\$196,833)	(\$233,804)	(\$75,168)	\$2,945,677	\$21,290	\$430,848	\$3,376,525
Jul-99	\$403,917	\$8,870,898	(\$196,833)	(\$242,454)	(\$35,370)	\$2,910,307	\$21,077	\$451,925	\$3,362,232
Aug-99	\$363,348	\$9,234,246	(\$196,833)	(\$242,272)	(\$75,758)	\$2,834,550	\$20,860	\$472,785	\$3,307,335
Sep-99	\$273,773	\$9,508,018	(\$196,833)	(\$227,280)	(\$150,341)	\$2,684,209	\$20,282	\$493,067	\$3,177,276
Oct-99	\$317,647	\$9,825,665	(\$196,833)	(\$242,781)	(\$121,968)	\$2,562,242	\$19,555	\$512,622	\$3,074,863
Nov-99	\$294,491	\$10,120,156	(\$196,833)	(\$242,781)	(\$145,123)	\$2,417,119	\$21,725	\$534,346	\$2,951,465
Dec-99	\$407,635	\$10,527,791	(\$196,833)	(\$242,781)	(\$31,979)	\$2,385,140	\$21,861	\$556,207	\$2,941,347
<b>TOTAL '99</b>	<b>\$4,005,852</b>		<b>(\$1,912,000)</b>	<b>(\$2,891,933)</b>	<b>(\$798,082)</b>				
Jan-00	\$325,920	\$10,853,711	(\$196,833)	(\$242,781)	(\$113,694)	\$2,271,446	\$18,403	\$574,610	\$2,846,056
Feb-00	\$293,910	\$11,147,621	(\$196,833)	(\$242,781)	(\$145,704)	\$2,125,742	\$17,693	\$592,303	\$2,718,045
Mar-00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Apr-00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
May-00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jun-00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jul-00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Aug-00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sep-00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oct-00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nov-00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dec-00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL '00</b>	<b>\$619,830</b>		<b>(\$393,666)</b>	<b>(\$485,562)</b>	<b>(\$259,398)</b>				

- Note: 1) Me. Yankee Replacement Power Reduction = Wheelabrator/Sherman credit - FAME interest cost.  
2) Monthly carrying charge = 1/12 of annual AFUDC rate of 7.66%.

**Maine Public Service Company**  
**Seabrook Amortization to Approved Amortization Period**  
Maine Yankee  
Stranded Revenue Requirements  
\$000's

Attachment A  
Phase II  
LB-4

	MPS Amort. of MY 1995 Resleeving Expense	Purchased Power Contract								MPS Tax on Div. (Grossed- up to Rev. Req.) (C)	MPS Equity Earnings (Grossed- up to Rev. Req.) (D)	Add MPUC Allowed ROR		Total Stranded Rev. Req. (E)
		Fuel Expense (DOE D&D)	Amortization of Reg. Assets	Decom., ISFSI & O&M	Income Taxes	Other Income	Interest & Preferred Stock Div.	Net Income Avail. for Common	Total Purchase Power Costs (B)			Rate Base	Re-Tax Return 9.71% (E)	
(A)														
1998												3,979		
1999	250.93	88	1,105	1,728	163	(4)	407	246	3,741	49	(410)	3,788	377	4,008
2000	99.91	93	1,098	1,379	133	0	444	229	3,376	45	(381)	3,483	353	3,493
2001	69.71	96	1,095	1,320	131	20	403	202	3,227	40	(336)	3,109	320	3,321
2002	69.71	100	1,095	1,320	118	37	376	187	3,159	37	(310)	2,871	290	3,246
2003	11.62	103	1,095	1,320	95	37	322	161	3,059	32	(268)	2,481	260	3,095
2004		107	1,095	1,481	75	29	256	140	3,125	28	(233)	2,155	225	3,145
2005		110	1,095	1,495	56	18	190	119	3,047	24	(198)	1,828	193	3,066
2006		114	1,095	1,495	39	13	124	102	2,956	20	(170)	1,576	165	2,971
2007		91	1,095	1,495	16	5	91	76	2,859	15	(127)	1,174	134	2,881
2008		0	912	1,273	(9)	(8)	44	47	2,275	9	(78)	722	92	2,298
Rate Year Revenue Requirement::														
03/01/00- 12/31/00	58.09	78	914	1149	111	0	370	191	2,813	38	(318)		294	2,885
01/01/01- 02/28/01	11.62	16	182	220	22	3	67	34	538	7	(56)		53	554
Total	69.71	94	1096	1369	133	3	437	225	3351	45	(374)		347	3,439

## Notes:

- (1) Projected Purchases Power Costs based on Maine Yankee's 6/10/99 Revised Forecast, 6.5% ROE Settlement Case, Scenario B multiplied by MPS's 5% share, 2,000 reflects preliminary budget estimate.
- (2) MPS Dividend assumed to equal MPS Equity Earnings. 30% of dividend is taxable. Tax Rate = 39.8938%
- (3) MPS Equity Earnings equal MPS's 5% share of Maine Yankee's Net Income Available for Common.
- (4) Rate base: Actual balance at 12/31/98, then MPS's 5% share of projected total Maine Yankee common equity balance thereafter.
- (5) Pre-tax Return calculated below. Debt ratio and cost of debt per RLB-7, ROE = 6.5% per M/Y Settlement:

	Ratio	Percent Cost	Return	Pre-tax Return
Long - Term Debt	45.0%	8.6%	3.87%	3.87%
Short - Term Debt	4.0%	8.0%	0.32%	0.32%
Common Shareholders' Equity	51.0%	6.5%	3.32%	5.52%
Total Capital	100.0%		7.51%	9.71%

**Maine Yankee Atomic Power Company**  
**Year 2000 Monthly Income Statement**

	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TOTAL COST OF SERVICE	67,527 <u>x 5%</u> 3376	5,625	5,618	5,624	5,630	5,625	5,629	5,635	5,628	5,629	5,628	5,624	5,638
OPERATING EXPENSES													
Fuel Amort.(excl. ind.)	4,025	335	335	335	335	335	335	335	335	335	335	335	335
Fuel DOE D&D	1,862	155	155	155	155	155	155	155	155	155	155	155	155
Operation & Maintenance	2,000	58	58	388	58	58	388	58	58	388	58	58	388
Deprec. and Amort.	17,941	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Decom Collections	25,577	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131
Taxes - Federal Inc.	1,824	152	152	152	152	152	152	152	152	152	152	152	152
- State Inc.	828	69	69	69	69	69	69	69	69	69	69	69	69
- Local property	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	54,058	4,394	4,394	4,728	4,394	4,394	4,728	4,394	4,394	4,728	4,394	4,394	4,728
OPERATING INCOME	13,471	1,232	1,224	898	1,236	1,231	902	1,241	1,232	903	1,232	1,230	910
TOTAL OTHER INCOME	114	(3)	(3)	(0)	2	5	8	10	11	13	18	24	29
INCOME BEFORE INTEREST CHARGES	13,585	1,229	1,222	897	1,238	1,236	910	1,251	1,243	916	1,250	1,254	939
INTEREST CHARGES													
Long-term debt	3,778	315	315	315	315	315	315	315	315	315	315	315	315
Prior Fuel Disposal Cost, Net	2,317	132	138	151	169	177	188	208	218	221	232	235	250
Short-term debt	283	63	47	41	41	28	22	22	-	-	-	-	-
Amort. of Debt Exp., Net	1,337	111	111	111	111	111	111	111	111	111	111	111	111
Total Interest	7,693	620	611	618	636	631	636	654	644	647	658	661	678
NET INCOME	5,893	608	610	280	603	605	274	597	599	269	591	593	263
Preferred stock dividends	1,290	107	107	107	107	107	107	107	107	107	107	107	107
EARNINGS APPLICABLE TO COMMON	4,603 <u>x 5%</u> 230	501	503	172	495	497	167	490	492	161	484	486	155

**MAINE PUBLIC SERVICE COMPANY**  
**Stranded Investment in Regulatory Assets**

		Regulatory Assets			Revenue Requirements		
	Page Ref.	Total	T & D	Stranded Investment	Total	T & D	Stranded Investment
<b><u>December 31, 1999</u></b>							
SFAS 106 - Postretirement Costs	2	636,529	592,481	44,048 (1)	106,080	98,739	7,341
Accrued Vacation - SFAS 109	3	(361,782)	(336,747)	(25,035)(1)	0	0	0
Maine Yankee Sleaving Costs	4	250,952	250,952		250,952	250,952	0
Property - Net AFUDC - SFAS 109	5	365,346	130,819	234,527	(400)	(4,948)	4,548
Total		891,045	637,506	253,539	356,632	344,743	11,889
Costs		887,481	843,433	44,048	357,032	349,691	7,341
SFAS 109		3,564	(205,928)	209,492	(400)	(4,948)	4,548
		891,045	637,506	253,539	356,632	344,743	11,889
<b><u>February 28, 2000</u></b>							
SFAS 106 - Postretirement Costs	2	618,849	576,025	42,824 (1)	106,080	98,739	7,341
Accrued Vacation - SFAS 109	3	(363,263)	(338,125)	(25,138)(1)	(72,652)	(67,624)	(5,028)
Maine Yankee Sleaving Costs	4	209,130	209,130		209,130	209,130	0
Property - Net AFUDC - SFAS 109	5	365,746	135,767	229,979	(400)	(4,948)	4,548
Total		830,462	582,796	247,666	242,158	235,297	6,861
Costs		827,979	785,155	42,824	315,210	307,869	7,341
SFAS 109		2,483	(202,358)	204,841	(73,052)	(72,572)	(480)
		830,462	582,796	247,666	242,158	235,297	6,861
<b><u>December 31, 2001</u></b>							
SFAS 106 - Postretirement Costs	2	424,369	395,003	29,366 (1)	106,080	98,739	7,341
Accrued Vacation - SFAS 109	3	(217,958)	(202,875)	(15,083)(1)	(72,652)	(67,624)	(5,028)
Maine Yankee Sleaving Costs	4	0	0		0	0	0
Property - Net AFUDC - SFAS 109	5	366,146	140,718	225,428	(400)	(4,951)	4,551
Total		572,557	332,845	239,712	33,028	26,164	6,864
Costs		424,369	395,003	29,366	106,080	98,739	7,341
SFAS 109		148,188	(62,157)	210,345	(73,052)	(72,575)	(477)
		572,557	332,845	239,712	33,028	26,164	6,864



**Maine Public Service Company**  
Seabrook Amortization to Approved Amortization Period  
Calculation of Available Value - Generation Asset Sale  
November 17, 1999  
Dollars in Thousands

Phase II  
LB-6  
Page 1

Ref.  
SLB-6,p.

Net After-tax Gain from Sale of Maine and New Brunswick Assets	8,973	2a
Revenue Requirement Factor	1.663722	
Revenue Requirement Amount	<u>14,929</u>	
 New After-tax Gain from sale of MPS Assets	 4,661	 3
Revenue Requirement Factor	1.663722	
Revenue Requirements	<u>7,755</u>	
 Net Revenue Requirements	 <u>22,684</u>	
 Less Costs of Sale:		
Selling and Legal Costs	900	4
Transition Power Supply Costs	800	5
	<u>1,700</u>	
 Net Gain less Costs of Sale	 <u><u>20,984</u></u>	

**Maine and New Brunswick Electrical Power  
Entry for Sale of Generating Assets  
Dollars in Thousands  
June 8, 1999**

		<b>Actual</b>	
		<u>U.S. \$</u>	<u>Canadian \$ (1)</u>
<u>Sale Proceeds (2)</u>	(A)	<u>22,679</u>	<u>33,430</u>
Other Assets (Liabilities)		30	34
Electric Plant		9,337	10,314
Accumulated Depreciation		<u>5,053</u>	<u>5,395</u>
Book Basis	(B)	4,314	4,953
Tax (3)	(C)	<u>7,837</u>	<u>11,552</u>
Book Gain - ME & NB	(A)-(B)-(C)=(D)	<u>10,528</u>	<u>16,925</u>
Less: Taxes on Distribution of Proceeds from Gain (1)		(E)	<u>1,555</u>
Net After-tax Gain - MPS	(D) - (E)	<u>8,973</u>	<u>8,973</u>

(1) Sale proceeds and tax at 67.84% exchange rate on the date of sale.

(2) Sale proceeds less selling expenses paid at closing.

(3) Federal taxes on distribution are entirely offset by foreign tax credits. Taxes reflect Canadian tax withheld on distribution in U.S. dollars and state of Maine income taxes.

MAINE & NEW BRUNSWICK ELECTRICAL POWER CO.

SALE OF ASSETS

JUNE 8, 1999

**Fixed Assets (excluding nondepreciable property)**

	Canadian \$		U.S. \$
Proceeds of Sale	33,442,360	@ 67.84%	22,687,297
Less selling expenses	12,367	@ 67.84%	8,390
Undepreciated Capital Cost of Assets (Tax Basis)	2,602,217		
Gain taxable at either 34.59% or 46.12%	<u>30,827,776</u>		

**Computation of Tax:**

			<b><u>Total Gain</u></b>			<b><u>Tax</u></b>
Proceeds of Sale less selling expenses	33,429,993					
Capital Portion of Gain Taxable @ 34.59%	}	=	23,116,364	x	34.59%	= 7,995,950
Original Cost of Assets	10,313,629					
Ordinary Portion of Gain Taxable @ 46.12%	}	=	7,711,412	x	46.12%	= 3,556,503
UCC of Assets (Tax Basis)	2,602,217		<u>30,827,776</u>			<u>11,552,454</u>
Total Tax						<u>11,552,454</u>

**MNB Earnings and Profits Calculation - U.S. \$**

Balance 1/1/97 (Form 5471)	4,667,000
1997 - Net income	344,300
1998 - Net income	367,091
- Dividend	(678,426)
- Dividend	<u>(1,481,664)</u>
Balance 12/31/98	3,218,301
Proceeds from sale of assets (\$30,827,776 - 11,552,454 @ 67.84%)	13,076,379
Total E & P - 12/31/99 - U.S. dollars	<u>16,294,680</u>

**MPS Elects Not to Take All E&P Amount into Income**

Proceeds of sale less selling expenses	33,429,993
Canadian tax due on sale	<u>11,552,454</u>
Estimated liquidating distribution to MPS	21,877,539
Conversion to U.S. Dollars	<u>67.84%</u>
Estimated liquidating distribution to MPS - U.S. \$	14,841,723
Estimated tax basis in ME & NB's stock	<u>827,000</u>
Gain on liquidation	14,014,723
Gain recharacterized as dividend - sec 1248	<u>14,014,723</u>
Capital gain - U.S. source	0
U.S. tax due on Total Gain	4,905,153
Less Foreign Tax Credits	<u>(4,905,153)</u>
Estimated Net U.S. tax due	<u>0</u>
Estimated Net Cash Received on Liquidation	<u>14,841,723</u>

**Net Proceeds to MPS**

	<b><u>Actual</u></b>
Net Cash Received on Liquidation	14,841,723
Federal tax	0
State tax *	(812,854)
5% Canadian withholding tax	<u>(742,086)</u>
Net proceeds to MPS	<u>13,286,783</u>

**MPS Elects to Take All E&P Amount into Income**

Proceeds of sale less selling expenses	33,429,993
Canadian tax due on sale	<u>11,552,454</u>
Estimated liquidating distribution to MPS	21,877,539
Conversion to U.S. Dollars	<u>67.84%</u>
Estimated liquidating distribution to MPS - U.S. \$	14,841,723
Election - All E&P Amount in income	16,294,680
U.S. tax due on all E&P amount	5,703,138
Less Foreign Tax Credits	<u>(5,703,138)</u>
Estimated Net U.S. tax due	<u>0</u>
Estimated Net Cash Received on Liquidation	<u>14,841,723</u>

**Net Proceeds to MPS**

Estimated Net Cash Received on Liquidation	14,841,723
Federal tax	0
State tax *	(945,091)
5% Canadian withholding tax	<u>(742,086)</u>
Net proceeds to MPS	<u>13,154,545</u>

\* State tax 8.93%  
Fed savings 3.13%  
5.80%

**Maine Public Service Company**  
**Computation of Net Gain on Sale of Generating Assets**  
**Dollars in Thousands**  
**June 8, 1999**

		<u>Total MPS Plant</u>	<u>Corporate Class 5</u>	<u>Hydro</u>	<u>Steam and Diesel</u>	<u>Wyman</u>
Proceeds	(1)	14,738	2,679	5,128	1,047	5,884
MPS - Remaining book value:						
Plant Costs		20,288	0	5,876	7,447	6,965
Less Depreciation & Amortization		<u>13,557</u>	<u>0</u>	<u>2,037</u>	<u>6,814</u>	<u>4,706</u>
Net Book Investment	(2)	6,731	0	3,839	633	2,259
Inventory and CWIP	(3)	423	423	0	0	0
MPS Assets - Book Gain [ (1) - (2) - (3) ]		7,584	2,256	1,289	414	3,625
Taxes		<u>2,923</u>				
Net After-tax Gain		<u><u>4,661</u></u>				

**Maine Public Service Company  
Calculation of Available Value -  
Generation Asset Sale  
Dollars in Thousands**

Estimated Selling and Legal Costs

Solicitation and Bid Evaluation Services - complete	186
Environmental Study, Property Survey and Title Insurance	82
Sale Negotiations and Agreement, Tax Review	183
Regulatory Approvals	101
Title Transfer, Bondholder Approvals, Bond Redemption Services	<u>264</u>
Actual to November 30, 1999	816
Estimated to complete	<u>84</u>
Total Estimated Selling and Legal Costs	<u><u>900</u></u>

		Jun-99 (6/9-6/30)	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Total	1999 Total
Buy-back Power from WPS												
Capacity Purchased	kW	64,338	64,901	64,780	64,416	63,267	61,812	61,206	59,873	60,600	62,799	62,666
Energy Purchased (excl. Y4)	MWh	4,101	3,012	7,336	14,249	17,104	11,181	7,549	1,860	1,135	67,527	113,875
Energy Purchased (Y4)	MWh	5,334	8,799	6,523	4,296	832	832	832	832	832	29,114	37,449
Capacity Price	\$/kW-mo.	2.69	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76		
Energy Price (excl. Y4)	\$/MWh	25.85	26.56	26.56	26.56	26.56	26.56	26.56	26.56	26.56		
Energy Price (Y4)	\$/MWh	23.68	25.40	28.50	30.11	32.22	32.22	32.22	32.22	32.22		
Total Repl. Power Cost		359,216	482,866	559,792	685,893	655,972	494,633	396,510	241,703	224,466	4,101,051	6,066,269
June capacity charge prorated to 22 days:	73.33%											
Additional Y4 Capacity Cost (based on giving 25% of capacity sale profit to WPS)												
Assumed Sale Price	\$/kW-mo.	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80		
Additional Y4 Capacity Cost		4,184	5,325	5,325	5,325	5,372	5,372	5,372	5,372	5,372	47,019	62,977
Less Revenue Received for Backup Power and Station Service		709	971	1,066	1,055	1,489	1,080	1,080	1,080	1,080		
Net Repl. Power Cost		362,691	487,220	564,051	690,163	659,855	498,926	400,803	245,996	228,758	4,138,460	6,121,797
	\$/MWh	38	41	41	37	37	42	48	91	116	43	40
Avoided Embedded Costs Associated w/ MNB												
Avoided Energy Cost		47,132	35,909	82,757	158,340	196,115	123,838	85,042	23,597	13,469	766,200	1,251,390
Avoided Capacity Cost		42,636	58,140	58,140	58,140	58,140	58,140	58,140	58,140	58,140	507,756	682,176
Canadian Exchange Rate	88.4%											0
Lost Sales Revenue from MNB (Level II,III)		(17,905)	(23,494)	(21,949)	(15,326)	(22,050)	(20,644)	(25,502)	(33,181)	(26,202)	(206,253)	(269,936)
Sub-total Net Purch. Pwr. Cost Avoided		71,863	70,555	118,948	201,154	232,205	161,334	117,680	48,556	45,407	1,067,703	1,663,630
Net Energy Avoided	MWh	2,822	2,837	6,783	13,774	16,533	10,632	8,883	1,132	504	61,711	106,632
Net Energy Cost Avoided	\$/MWh	25	27	18	15	14	15	17	43	90	17	16
Lost Reservoir Rentals Revenue (1998 actual)		(23,222)	(31,667)	(31,667)	(31,667)	(31,667)	(31,667)	(31,667)	(31,667)	(31,667)	(276,558)	(371,559)
Avoided Transm. Rent Expense (1998 actual)		1,172	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	13,952	18,745
Return on Ratebase Effect												
Ratebase at 12/31/98	5,726,654											
Elimination of Return on RB	11.48%	40,176	54,785	54,785	54,785	54,785	54,785	54,785	54,785	54,785	478,456	642,811
Less MNB Earnings (Grossed up to Rev. Req.)		(51,159)	(69,762)	(69,762)	(69,762)	(69,762)	(69,762)	(69,762)	(69,762)	(69,762)	(609,256)	(818,543)
Net Ratebase Effect before adjmnt.		(10,983)	(14,977)	(14,977)	(14,977)	(14,977)	(14,977)	(14,977)	(14,977)	(14,977)	(130,801)	(175,732)
Adj. for % Sales to MPS	73.2%	(8,035)	(10,957)	(10,957)	(10,957)	(10,957)	(10,957)	(10,957)	(10,957)	(10,957)	(95,690)	(128,561)
Total Avoided Embedded Costs Assoc. w/ Me&NB Assets		41,777	29,529	77,921	160,128	191,179	120,308	76,654	7,530	4,381	709,407	1,182,254
Avoided Embedded Costs Associated w/ MPS Generating Assets												
Avoided Expenses - on-system generation		70,878	96,651	96,651	96,651	96,651	96,651	96,651	96,651	96,651	844,087	1,134,041
Avoided Expenses - Y4 (excluding fuel)		36,336	49,549	49,549	49,549	49,549	49,549	49,549	49,549	49,549	432,732	581,380
Avoided Fuel Expense - Y4		126,295	223,486	185,884	129,375	26,819	26,819	26,819	26,819	26,819	799,133	937,076
Y4 Fuel Cost	\$/MWh	23.68	25.40	28.50	30.11	32.22	32.22	32.22	32.22	32.22		
Avoided SFAS 109 DIT		572	780	780	780	780	780	780	780	780	6,816	9,157
Return on Ratebase												
Ratebase at 12/31/98	6,591,615											
Elimination of Return on RB	11.48%	46,244	63,060	63,060	63,060	63,060	63,060	63,060	63,060	63,060	550,722	739,901
Total Avoided Embedded Costs Assoc. w/ MPS Assets		280,325	433,527	395,925	339,416	236,860	236,860	236,860	236,860	236,860	2,633,490	3,401,555
Total Avoided Embedded Costs												
	\$/MWh	34	38	34	27	24	30	37	81	123	35	40
Incremental / (Decremental) Power Supply Costs		40,588	24,165	90,204	190,619	231,816	141,758	87,289	1,606	(12,482)	795,564	1,537,987
Total (6/9/99-2/29/00)											795,564	
PV (6/9/99-2/29/00)											773,127	
Discount Rate											8.0%	

**Maine Public Service Company**  
Weighted Cost of Capital - Rate Plan  
2/29/00 - After Asset Sale  
Dollars in Thousands  
Settlement

Phase II  
LB-7

	<u>Ratio</u>	<u>Percent Cost</u>	<u>Return</u>	<u>Pretax Return</u>	<u>After-Tax Return</u>
Long-Term Debt	45.00%	8.60%	3.87%	3.87%	2.33%
Short-Term Debt	4.00%	8.00%	0.32%	0.32%	0.19%
Common Shareholders' Equity	<u>51.00%</u>	10.70%	<u>5.46%</u>	<u>9.08%</u>	<u>5.46%</u>
Total Capital	<u>100.00%</u>		<u>9.65%</u>	<u>13.27%</u>	<u>7.98%</u>

Tax Rate - 39.8938%  
Multiplier - 1.663722

**Maine Public Service Company**  
Calculation of Available Value -  
Generation Asset Sale  
Dollars in Thousands

Phase II  
LB-8

**Mitigation of Stranded Costs - Savings on Nonjurisdictional Items**

Net Gain from Sale of ME & NB Assets	8973
Portion Allocated to Canadian Activities - historical Allocator	25.3%
Portion of Gain Associated with Canadian Activities	<u>2,270</u>
 Sale Proceeds	 14738
Less Tax	<u>2923</u>
After-tax Proceeds	11815
Allocation to Wholesale Assets written off in 1995	<u>13.6%</u>
	<u>1,607</u>
 Total	 3,877
Revenue Requirements Factor	<u>1.663722</u>
Net Gain Revenue Requirements	6,450

Less Selling Costs:

(A)	6.450 =			
LB-1 - Net Gain Revenue Requirements	22,684	28.43% x	1,700	483

Reduction in Stranded Costs	<u><u>5,967</u></u>
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